



Commonwealth of Massachusetts
Alcoholic Beverages Control Commission
239 Causeway Street
Boston, Massachusetts 02114

Jean M. Lorizio, Esq.
Chairman

ALCOHOLIC BEVERAGES CONTROL COMMISSION ADVISORY
REGARDING CONSOLIDATED BUYING

In response to several inquiries from licensees, the Alcoholic Beverages Control Commission provides the following clarification regarding consolidated buying by § 15 package store licensees.

Consolidated buying (also known as a cross-accumulation relationship, purchasing co-operative, group purchasing, and collective buying) is where two or more § 15 licensees combine their individual orders and place a single order with a § 18 wholesaler or farmer-series licensee so that the licensees can benefit from volume discount pricing that they otherwise would not be able to take advantage of if their orders were placed separately.

When two or more § 15 licensees engage in consolidated buying, the § 15 licensee placing the order on behalf of itself and other § 15 licensees is effectively acting as a wholesaler, which is unlawful under M.G.L. c. 138, § 18. The other § 15 licensees providing their orders to the § 15 licensee placing the consolidated order are then purchasing alcohol from an unauthorized source with the intent of selling that alcohol to the public, in violation of M.G.L. c. 138, § 23. For these reasons, consolidated buying is unlawful in Massachusetts.

Please be advised that having common officers/directors between § 15 licensees does not make consolidated buying lawful because it does not remedy the violations of § 18 and § 23. Therefore, even if the § 15 licensees share common officers/directors, the practice of consolidated buying is still unlawful. Likewise, common warehousing of alcoholic beverages by two or more § 15 licensees is unlawful.

As a reminder, all licensees must ensure that they are in compliance with the laws of the United States and the Commonwealth of Massachusetts and that the manufacture and sale of alcoholic beverages take place only as authorized by applicable law.

(Issued July 24, 2017)